



Will your farm outlive you?

By Kathy Schmitt, Wisconsin Farm Center director

This is the hope of many farm families and yet many farm families do not have a farm succession plan in place to help ensure that this is accomplished. If something happens to you today, does everyone know and understand what happens tomorrow? Planning ahead will help your farm weather this storm. Even if you have a transfer plan in place, remember that passing ownership does not mean passing control. Developing the decision

IN THIS ISSUE

- Will your Farm Outlive you?
- Think about the Future when Planning Harvest
- Farm Bill Overview



CONTACT THE WISCONSIN FARM CENTER

The Wisconsin Farm Center provides a multitude of services for Wisconsin farm families including transition planning, estate planning, mediation, herd health diagnostics and more.

Toll free: 1-800-942-2472

Fax: 608-224-5104

making and management plan for farm succession needs to be done as well.

There are plenty of obstacles to completing a farm succession plan. No one wants to think about death or a debilitating accident. Open communication is needed to explore and address the obstacles. Don't make assumptions about what other family members want or feel. Ask them and work out any issues.

Both the adult children and the parents need to understand their roles and be able to separate business interactions from parent/child interactions. Similarly, parents need to shift their role from supervisor to that of a mentor to help prepare their children for taking over the farm.

Controlling parents can be a real road block to moving the farm to the next generation. Parents who raise their kids as followers rather than as leaders fail to teach them decision making skills, which are critical skills for the success of the farm.

Non-farming children can also create road blocks. Bickering and issues of "fairness" can be a problem. Keep in mind that equal doesn't mean fair and fair doesn't mean the children aren't each loved. Make non-farm kids aware that what they get has been made possible because of the farming kids.

Parents and farming children need to share their dreams, hopes and goals. Write down your goals and include time frames. A goal without a deadline is nothing more than a dream. Gather a team who can help you prepare your succession plan.

If you need help putting your plan together, Wisconsin Farm Center staff can assist you. We can help you work through obstacles so you are prepared to meet with your attorney or other professionals to develop the formal documents. With careful thought and attention, you can create a plan for your farm to outlive you.

Note: Article is based on a seminar provided by Dr. Ron Hanson and hosted by Southwest Tech.

Email: farmcenter@wisconsin.gov

Address: 2811 Agriculture Drive,
Madison, WI 53718

Mailing address: P.O. Box 8911,
Madison, WI 53708



Think ahead to Grow Wisconsin Dairy

DATCP has not yet announced the next round of Grow Wisconsin Dairy 30x20 grants, but that announcement is expected in the near future. If you are interested in applying for the grant, consider getting started now. Applications with solid, detailed budgets put themselves in the running to receive grants. Think about what improvements you would like to make on your farm or to your business model, talk with consultants and consider getting bids. If you have questions about the program, call 1-855-WI-DAIRY (855-943-2479) or email GrowWisconsinDairy@wi.gov with specific questions.

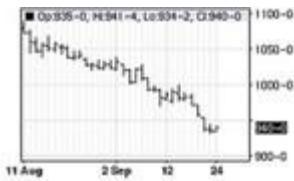


Figure 1: December 2014 Corn ZC14 bar chart.com

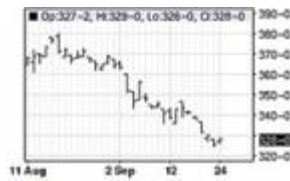


Figure 2: November 2014 Soybeans ZS14 bar chart.com

Think about the future when planning for harvest

By Ty Rolhoff, Wisconsin Farm Center

As harvest approaches it's important to give some thought to planning for the upcoming corn and soybean harvest. With current cash prices below the cost of production decisions need to be made on the marketing of corn and soybeans. With record production expected in some areas of the country and near record in even more areas, consideration needs to be given about the impact of the crop size on future prices and how that may impact a marketing plan. On the reverse side demand has been strong. One of the main factors in any business is knowing the cost of production. With this knowledge marketing comes down to how much of a gain or loss someone is willing take on their annual production. Many local cooperatives and private elevators offer marketing classes. Check with your elevator to see if any classes are being offered. One other consideration for this year is taxes. Coming off of five record years of net farm income what decisions will your operation need to make? Common business considerations this time of year include:

- Will I sell grain now to take advantage of early input purchases to take advantage of the discounts that are offered on seed and fertilizer?
- Should I be planning a tax estimate before year's end to see what if any my tax liability might be?
- Are other elevators in my area offering a better price for my grain and if so what are their charges for things like storage and drying?
- If I store grain myself do I have enough room, where will the rest of my grain go and am I able to get enough propane to dry my grain?
- If I'm buying feed for my livestock is this a good time to lock in feed purchases for the future?

- Do I have any marketing strategies for next year's crop and beyond?

It would be nice to believe the saying about high prices curing high prices and low prices curing low prices, but no one is able to tell what will happen in the future. Have a safe and prosperous harvest!



Farm Bill Overview

By John Gasner, Wisconsin Farm Center

Recently I had the opportunity to attend a National Farm Bill Conference in Kansas City, Mo. This conference provided a broad overview of the new farm bill and also an in-depth look at many different programs. While there were many changes to the farm bill, and overall spending was cut, farmers should still come out okay. Some of the old programs have been cut, while other new ones have been created. From a farmers perspective, in short, planting/crop subsidies payments have been eliminated, but additional funds have been directed toward crop insurance. Here is a brief overview of the three new programs to help farmers.

- **Price Loss Coverage (PLC)** – In general, PLC protects against low crop prices. These prices, the national average price for the year, are set for the life of the farm bill at \$3.70 for corn and \$8.40 for soybeans. If the national average price falls below these levels, the farmer will receive the difference between the base price and market price for 85% of their base acres for that crop.

- **Agricultural Risk Coverage (ARC)** – In general, ARC protects against declining prices. This program is more complex than PLC, however it may offer more protection to farmers. There are two ARC options, County ARC or Individual ARC. Both have their pros and cons. In reality it is more complex, but in short, ARC offers protection if revenue falls below the average from the last five to seven years.
- **Milk Protection Program (MPP)** – MPP is a type of “insurance” offered to dairy farmers to help protect their margin. However, everything in this program is determined on the national level. It allows farmers to buy insurance ranging from a \$4.00 margin up to an \$8.00 margin. There is a cost of \$100, plus premiums if increased coverage is purchased, to participate in the program.

These programs are all designed to protect farmers in the event of a bad year. From most of the analysis I saw, regardless of the PLC or ARC decision ... you may only choose one ... we are looking at payments of between \$20 and \$40 per acre in most cases. For MPP, most estimates show a \$0.30 to \$0.50 per HTW. So, while these decisions are important, they should not substitute for proper insurance and business planning.

Here are a few other points to remember:

- Farmers will have the option to adjust their base acres from crop to crop. However, base acres may not be increased.
- Farmers will have the option to adjust their yield levels, based on the average from 2008 to 2013.
- Sign up dates have yet to be determined for PLC and ARC. Sign up for MPP for 2014 and 2015 must be completed at your local FSA office by **November 28th**.
- Some tools exist online to assist you in your decision making process:
 - o [MPP Decision Tool](#)
 - o [ARC and PLC Decision Tool](#)

If you have any questions about these programs and the impacts on your farm, contact your local FSA office or The Wisconsin Farm Center.



STAY CONNECTED:



SUBSCRIBER SERVICES:

[Manage Preferences](#) | [Help](#)